

**PUBLIC HEALTH DEPARTMENT[641]**

**Adopted and Filed**

Pursuant to the authority of 2015 Iowa Acts, Senate File 274, section 21, the Department of Public Health hereby amends Chapter 108, “Medical Residency Training State Matching Grants Program,” Iowa Administrative Code.

The rules in Chapter 108 provide for the awarding of grants to sponsors of accredited graduate medical education residency programs to establish new programs, expand existing programs, or support medical residency programs in excess of the federal residency cap.

These amendments implement 2015 Iowa Acts, Senate File 274, section 21 [Iowa Code section 135.176]. These amendments remove language that requires sponsors, including those sponsors funding residency positions in excess of the federal residency cap, to establish a dedicated fund. The amendments replace this language with language which requires that all sponsors demonstrate that funds have been budgeted. In addition, the amendments change the total amount of a grant awarded to a sponsor proposing the establishment of a new or alternative campus accredited medical residency training program from not more than 25 percent of the amount the sponsor has budgeted to 100 percent of the amount a sponsor has budgeted. In addition, these amendments change the maximum award for an individual sponsor that establishes a new or alternative campus accredited medical residency training program to no more than 50 percent of the state matching funds available each year to support the program funding priorities. These amendments also change the contract period with the Department from a three-year period to a minimum of a three-year period.

Notice of Intended Action was published in the July 22, 2015, Iowa Administrative Bulletin as **ARC 2066C**. A public hearing was held on August 11, 2015.

Comments were received from Broadlawns Medical Center; UnityPoint Health-Des Moines-Medical Residency, Graduate Medical Education Department; University of Iowa Health Care; and Des Moines University. The following comments and questions were received:

- There was a request for clarification on the funding and grant cycles.
  - Staff provided dates of this new funding period using State Fiscal year 2015 balance and State Fiscal year 2016 new funds. The upcoming grant cycle will be for a minimum of 3 years.
- The rules were as expected as they did not vary from the legislation. The participant thanked the Department for continued communications to stakeholders.
  - The comment was acknowledged. No changes were made to the Noticed rules as a result of this comment.
- There was a question asking if the focus on family medicine and psychiatry will be maintained.
  - Staff stated that the focus will continue on family medicine and psychiatry. No changes were made to the Noticed rules as a result of this comment.
- A UnityPoint spokesperson reflected on the continuing need to address workforce shortages as demonstrated by recent community health needs assessments in the greater Des Moines area.
  - The comment was acknowledged, and references to the assessments were exchanged. No changes were made to the Noticed rules as a result of this comment.
- A Des Moines University representative stated that Des Moines University would not be applying for the next round of funding but wanted to ensure that this endeavor continued and would be available in the state for others.
  - The comment was acknowledged. No changes were made to the Noticed rules as a result of this comment.

These amendments are identical to those published under Notice.

The State Board of Health adopted these amendments on September 9, 2015.

After analysis and review of this rule making, it is projected that these amendments will positively impact both physician employment opportunities in Iowa as well as employment of associated health care

providers and other jobs supporting the work of physicians in Iowa communities. No specific projection for employment can be made at this time.

These amendments are intended to implement 2015 Iowa Acts, Senate File 274.

These amendments will become effective January 13, 2016.

The following amendments are adopted.

ITEM 1. Rescind subrule **108.3(2)**.

ITEM 2. Renumber subrules **108.3(3)** to **108.3(5)** as **108.3(2)** to **108.3(4)**.

ITEM 3. Amend renumbered subrules 108.3(2) to 108.3(4) as follows:

**108.3(2)** A sponsor shall demonstrate through documented financial information that funds have been ~~reserved~~ budgeted and will be expended by the sponsor in the amount required to provide matching funds for each residency proposed in the request for ~~proposal~~ for state matching funds. A sponsor shall document this requirement by providing with its request for ~~proposal~~ a ~~signed, notarized statement of the organization's chief financial officer that such a fund exists, as well as what amounts of moneys have been set aside in this fund for purposes of supporting residency programs~~ a line-item budget showing sponsor funding amounts and state matching funds requested.

**108.3(3)** A sponsor shall demonstrate a need for such residency program in the state by providing with its request for ~~proposal~~ state matching funds objective evidence of such need including:

*a. to d.* No change.

**108.3(4)** A sponsor shall submit with its request for ~~proposal~~ state matching funds a recruitment and retention plan to encourage residents to enter practice in Iowa with a preference for health professional shortage areas and to demonstrate over time the impact on Iowa's workforce.

ITEM 4. Amend rule 641—108.4(135) as follows:

**641—108.4(135) Amount of grant.**

**108.4(1)** The department shall award funds based upon the funds ~~set aside in the special fund~~ budgeted as demonstrated in the request, as identified in subrule ~~108.3(3)~~ 108.3(2).

**108.4(2)** The total amount of a grant awarded to a sponsor proposing the establishment of a new or alternative campus accredited medical residency training program shall be limited to no more than 100 percent of the amount of funds the sponsor has budgeted as demonstrated through a line-item budget for each residency sponsored for the purpose of the residency program.

The total amount of a grant awarded to a sponsor proposing the provision of a new residency position within an existing accredited medical residency or fellowship training program, or a sponsor funding residency positions which are in excess of the federal residency cap, shall be limited to no more than 25 percent of the amount of funds the sponsor demonstrates through documented financial information have been reserved and will be expended by the sponsor for each residency sponsored for the purpose of the residency program has budgeted as demonstrated through a line-item budget for each residency position sponsored for the purpose of the residency program.

**108.4(3)** A sponsor, if awarded, shall enter into a contract with the department over a minimum of a three-year project period to include approximately one-year (12 months -month) renewable contract periods. Annual contracts shall include annual budgets and, upon approval of annual performance measures, renewal applications for the project period. Annual contract periods shall be renewed based on the availability of funds.

**108.4(4)** No change.

**108.4(5)** An individual sponsor that establishes a new or alternative campus accredited medical residency training program shall not receive more than 50 percent of the state matching funds available each year to support the program. An individual sponsor proposing the provision of a new residency position within an existing accredited medical residency or fellowship training program, or a sponsor funding residency positions which are in excess of the federal residency cap, shall not receive more than 25 percent of the state matching funds available each year to support the program. However, if less than 95 percent of the available funds have been awarded in a given year, a sponsor may receive more than 25 percent of the state matching funds available if total funds awarded do not exceed 95

~~percent of the available funds. If more than one sponsor meets the requirements of this rule and has established, expanded, or supported a graduate medical residency training program in excess of the sponsor's 25 percent maximum share of state matching funds, the state matching funds shall be divided proportionately among such sponsors.~~

[Filed 9/11/15, effective 1/13/16]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/30/15.